March 17, 2006

VIA US MAIL AND EMAIL

Mr. Tom Dunbar
Northcoast Regional Water Quality Control Board
5550 Skylane Blvd, Suite A
Santa Rosa, CA 95403

Subject: Supplemental Environmental and Compliance Projects

Dear Mr. Dunbar:

Pursuant to our discussions at the meeting held with Regional Board we are submitting our Projects as required. Our proposal is for improvements along Francis Creek to address ongoing water quality, wildlife, siltation, and other problems.

Please do not hesitate to contact me to discuss the projects. As we discussed, you are constrained by some difficult timetables so we will make every effort to answer your questions promptly.

Sincerely,

Michael Powers
City Manager

cc. Councilmember Ken Mierzwa
Scott Kelly, City Engineer
David Martinek, City Attorney

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Ferndale Supplemental Environmental and Compliance Projects

1. Michael Powers, City Manager, City of Ferndale, 834 Main Street, Ferndale, CA 95536. (707) 786-4224

2. Name and location of the project, including watershed where it is located: The proposed project is limited to the lower portion of Francis Creek, between Port Kenyon Road and the confluence with Salt River. The project is one component contributing to a larger project, to be funded by others, and including the middle and lower reaches of the Salt River which is part of the Eel River watershed.

3. Description of the link between the violations and the SEP: All violations are related to the Wastewater treatment plant located immediately adjacent to the proposed project. Any meaningful resolution of existing issues at this facility will depend on restoring flow to the Salt River. The proposed project contributes to this goal. By ultimately helping to restore flow to the Salt River, the project will contribute to beneficial use of waters of the state and provide a benefit to the public at large (restoration of fisheries and endangered species habitat, flood control, probably water quality improvement). The project has the support of several other resource agencies (see below), and has both a geographic and a beneficial use nexus to the underlying violation. Use of penalties to conduct this work leverages funding committed by other state agencies and expected federal funding.

4. Detailed description of the proposed project:

   a. Project objectives: The intent is to restore an open low-flow channel and contiguous floodplain to allow sediment deposition along lowermost Francis Creek.
   b. Specific tasks and activities and milestones to be achieved: The proposed project involves grading a 200-foot wide floodplain adjacent to the existing Ferndale wastewater treatment plant, beginning at Port Kenyon Road and extending downstream toward the confluence with the Salt River. A low flow channel, the exact size to be determined by ongoing discussions between hydrologists with NRCS and NMFS but approximately 10-feet wide, will meander within the floodplain. The existing East Side Drainage will join the upper end of the floodplain, and the lower end is expected to arc somewhat to the north of the existing channel. Sediment will be used to raise and reinforce the existing berm around the wastewater treatment plant, with excess being removed to an off-site upland location. It is expected that the amount of the penalties will fund approximately 130 linear feet of the proposed channel work. The balance will come from other funding sources and through partner agencies.
   c. Detailed time schedule for completing project milestones: Permits are in process and are expected to be obtained by the end of 2006. Grading work is expected to occur during the 2007 dry season, between approximately July 15 and September 15, 2007. Grading may be concurrent with work conducted by other agencies in nearby segments of the Salt River. This schedule is in coordination with the proposed wastewater treatment plant improvements which are scheduled for construction beginning in the spring of 2007.
   d. Success criteria: Completion of grading, return of flow through the project reach, and issuance of as-built grading plans will determine success. There may be an adaptive

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management component covering the entire Salt River restoration project, including the Francis Creek sub-reach, to be included in Corps of Engineers documentation.

e. Estimated budget for each activity: See attached cost spreadsheet. Funding consist of both the CP and SEP funds owed.

f. Other parties involved: The permit applicant for the entire Salt River project is the Humboldt County Resource Conservation District (RCD). Funding for planning activities has been provided by the California Coastal Conservancy and the California Department of Fish and Game (DFG). Hydrology analysis has been contributed by the Natural Resources Conservation Service (NRCS) and by Kamman Consulting, the latter under a grant from the Coastal Conservancy. Permitting agencies include the U. S. Army Corps of Engineers (USACE), with an application in process and public comments received as of the date of this proposal; National Marine Fisheries Service (NMFS), with a biological assessment completed and presently under NMFS review; the California Coastal Commission, with an application currently in preparation; the North Coast Regional water Quality Control Board, with a 401 Certification application pending or about to be submitted; and DFG, with a streambank stabilization permit presently in negotiation.

g. Monitoring program, if applicable: Monitoring requirements for the entire Salt River restoration project are expected to be included in the final USACE Section 404 permit.

h. Draft provisions for a contract to be executed between the discharger(s) who will be funding the project and the entity performing the SEP if different from the discharger.

i. Other pertinent information: Work is contingent upon issuance of all permits and completion of a formal written agreement with landowner John Vevoda. At present there is no reason to anticipate any difficulty in these areas.

5. CEQA document, if applicable: A CEQA Initial Study has been completed. It is anticipated that a full EIR will be required, and this will be done during the balance of 2006.

6. Documented support and assistance by other resource agencies, public groups and affected persons: Regular meetings have been held involving RCD, DFG, the Coastal Conservancy, NRCS, Humboldt County, and the City of Ferndale. A Salt River Advisory Group includes all of the above entities as well as a number of local landowners. Permitting agencies have attended meetings as required. Planning funding has been received from DFG and the Coastal Conservancy, and contributions of staff time from DFG, NRCS, the Coastal Conservancy, Humboldt County, and the City of Ferndale. Thus, support from agencies and other entities has been extensive and is ongoing.

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FERNDALE SUPPLEMENTAL ENVIRONMENTAL PROJECT
LOWER FRANCIS CREEK EXCAVATION AND RESTORATION
COST ESTIMATE
March 17, 2006

ITEM NO.	CONSTRUCTION ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL ITEM PRICE
1	Mobilization and Demobilization	LS	1	$8,000	$8,000
2	Control of Water and Permit Compliance	LS	1	$4,000	$4,000
3	Brush and tree removal (see Note 1)	LF	2000	$5	$10,000
4	Excavation and grading (see Note 2)	LF	2000	$140	$280,000
5	Haul and place excavated material (see Note 2)	LF	2000	$360	$720,000
6	Revegatation and planting (see Note 3)	LF	2000	$15	$30,000
7	Clean up and restoration of water	LS	1	$7,500	$7,500

PROJECT CONSTRUCTION TOTAL (see Note 4)	**$1,059,500**
PROJECT CONSTRUCTION COST PER FOOT (TOTAL 2,000 LINEAR FEET)	**$530**
LENGTH OF CHANNEL TO BE COMPLETED FOR $69,000	**130**

Note 1: Assumes new creek alignment will require minimal brush and tree removal.

Note 2: Assumes 40 cy/lf excavation for flood basin and inscribed channel based on similar cross sections for Salt River. Estimated cost for excavation is $3.50/cy. Estimated cost for haul and place is $9.00/cy, and assumes placement within 6 miles.

Note 3: Assumes 210 sf of planting per lf of channel.

Note 4: Project Construction Total does not include design, permitting, construction management, construction staking, or testing.